Human Events *A Weekly Analysis for the American Citizen*
Combined with the Magazine ANALYSIS
Editorial Office 1710 Rhode Island Ave., N. W., WASHINGTON 6, D. C. *Telephone* NATIONAL 2066
VOL. VIII, NO. 39, *Issue Number* 400, SEPTEMBER 26, 1951 ★ *Editor:* FRANK C. HANIGHEN ★ *Associate Editor:* FRANK CHODOROV

OCT 8 '51 LIBRARY

THE CULT OF UNREALITY

By Montgomery Belgion

It was odd of Marx to call religion "the opiate of the people". For Socialism hardly affords a diet of cold realism. That has just been demonstrated once again in England at the annual high jinks known as the Trade Union Congress.

By way of explanation, in this context the word "congress" means both a permanent body and a conference. The affiliated trade unions muster a total membership of nearly eight million -- quite a fat slice of the electorate. Indeed, the English Labor government seems to be the tail which the Trade Union Congress dog wags. It is not surprising that during the get-together at Blackpool (917 delegates representing 180 unions), early in September, the Chancellor of the Exchequer appeared in person. What is significant is that he did not come to purr or to caress, but to pour cold water on some figments of the Socialist dream.

Last July the City of London -- still a mighty financial centre -- was thrown into a certain confusion by the announcement that he intended to enact a limitation of companies' dividends. It might have been thought that large dividends were contributing to the rise in the cost of living and robbing the honest worker of the full reward of his toil. Now at Blackpool, however, Mr. Gaitskell pointed out to the massed trade union delegates that even if all the dividends paid out in England were cut by a quarter, and the money accruing could be applied freely to increasing wages, it would mean an addition to each pay envelope of no more than 1¼ per cent. He added that dividends had risen in the last few years less than had wages. The figures, according to Lord Pakenham, another Labor minister, are: between 1947 and 1950 ordinary dividends rose by 3 per cent, wages and salaries by 26 per cent.

Another sobering thought from the Chancellor at Blackpool was that if Bernard Shaw's recommendation of 1928 were adopted and all incomes in excess of £2,000 a year -- $5,600 at the present official rate of exchange -- were confiscated, the Treasury would benefit by only £53 mil-

Copyright 1951 by HUMAN EVENTS, INC.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

lion. This would yield for taxation, if the measure were possible, the relief of a mere 1¼ per cent.

II

That being the reality, on the assurance of Mr. Gaitskell himself, why then, it will be asked, is he promising a "dividend freeze", thereby incurring the hot resentment of the City of London?

If the financial columns of The Times newspaper, usually staid and impassive, are to be trusted, what the announcement produced in the City was nothing less than a sense of betrayal. The paper explained that over the last few years the directors of nearly every company domiciled in England had gone out of their way to implement the English government's stability plan. Had the directors, on the other hand, refrained from more than strictly conforming with the law, they and their shareholders would have gained handsomely. Their self-denial was now being used against them. Never again could they be expected, the newspaper said, to voluntarily subordinate the interests of themselves and their shareholders to the desires of the government. For they saw that the government did not keep faith. That element of the community able to risk capital in enterprise was being made the object of a deliberately hostile drive. If The Times was right, the Chancellor had wantonly antagonized people who, if they wished, could defy him. Why did he do it?

The reason is perfectly clear. Not only in England, but certainly in England, the cost of living goes on rising. The trade unionists, in order to meet the higher prices, think they ought to have higher wages. But if increases in wages were granted it would simply push the cost of living still higher. Since the Labor party acceded to power in 1945, England had been a land of "austerity". You do not have to be an economic genius to see that when goods are scarce and people anxious to have them, prices are bound to go up. The more money people have, the more the prices will rise.

So the English government has taken the line that trade unions ought to practice self-restraint in the matter of a raise in wages. But the unionists have demurred. Many of them have been saying: "Self-restraint's all very well, but what about profits?" It would not have satisfied them for the Chancellor to retort simply that profits had little to do with the matter. Even after he said this at Blackpool, on top of having announced that he would "freeze" dividends, a resolution was moved in protest against "continued high profits", and although decisively defeated it did not want support.

Many of the government's trade union supporters appear to go on

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

nursing the delusion that "soak the rich" is a game that never ends. Mr. Gaitskell has not only levelled his guns at dividends. In the budget last spring he raised the tax on distributed profits from thirty to fifty per cent. Socialists are not satisfied; they want redistribution of incomes to go yet further.

We need not be surprised. It is typical of Socialist thinking, which is unaffected by practical experience. It shuns reality as vampires shun daylight. It is the cult of unreality.

III

The Socialist mind is simply incapable of thinking anything through. At Blackpool the platform was heard to prophesy dark woe and the enactment of penalties if the strictest economy in electricity was not practiced in the coming winter. Then, as night fell, the delegates went out to the sea front and watched a vast spectacle of electrical illumination. That is an annual feature at Blackpool. For a number of winters the government has extinguished street lamps at midnight in inland cities so as to save a few loads of coal. The Blackpool illuminations, which are turned on nightly for two weeks, may mean that a couple of hundred families in England will go without a needed ton of coal during the cold months.

And the families will miss that; for the government has promised that in the coming winter England will once again be short of coal. There is to be a succession of fuel crises. It is no exaggeration to say that Socialist thinking will be to blame. For Socialist thinking in 1945 was content to look on full employment as good. It did not trouble to follow through on the consequences of full employment.

Obviously, if national productivity and national efficiency were to be maintained certain adjustments were essential. Obviously, nobody is going to work in a coal mine if he can get as good pay for easier work on the surface of the earth. Obviously, a working week of forty-four hours cannot mean as much coal as a week of forty-eight hours. But all such obviousness the Socialist mind never reached.

Again, Socialist thought could not encompass the corollaries of making the national subsistence depend primarily on exports. The provisional figures for the country's foreign trade issued in mid-September show that imports during the first eight months of the year exceeded exports in value by £807 million ($2,259 million). It is true there had been as yet no falling off in exports. Their value was 17 per cent above the value of exports for the corresponding period of 1950. But imports during the period were 49 per cent higher in value than those of

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the corresponding period of 1950. That may be regarded as partly the result of devaluation in 1949 -- i.e., higher prices at home -- and as partly the result of higher world prices. And, furthermore, the effect of rearmament on the export-import relationship must be considered.

Hence the English may now deplore the fact that in the years since the war ended more has not been done to produce food at home. When Labor acceded to power in 1945, it would have been sensible to allow for the possibility that rearmament would be considered desirable. After all, rearmament is not altogether a novelty. Then, again, in 1945 it should have been easy to foresee that the frenzied demand for British exports (caused by the dearth of supplies during the years of fighting) would not last forever. "Prices of exports in the sterling area", Mr. Gaitskell said in Washington in mid-September, "have been falling." It was to be expected. Not to have expected it was not to have thought things through. That is characteristic of the Socialist mind.

IV

In all the main measures of Socialism we see the same disability of the Socialist mentality. Two simultaneously adopted measures turn out to have conflicting underlying assumptions. For example, the raising of the school attendance age assumes that schooling fosters intelligence and initiative; but compulsory health insurance assumes that men and women are in the mass stupid and incapable of initiative, very much in need of shepherding.

If education were something which Socialism had thoroughly digested, it would have recognized that schooling alone will not educate. In England we have now had eighty years of compulsory free primary schooling and some decades of free secondary schooling. Yet, England has its full share of ignorance in manners, handiness and natural lore.

Socialism apparently is of the opinion the availability of a hospital bed is more to be desired than a high level of health. For instance, after the war, Drs. Scott Williamson and Innes Pearse revived at Peckham in London a notable experiment, called a health centre; its purpose was to save men, women and children from falling ill, not to cure them or to nurse back to health. Thanks to Socialism, the experiment has had to be broken off for want of money; but the authorities will experience no financial difficulties in turning the place into a health centre in the ordinary sense, i.e., a place where people are brought back to health, not one where they are prevented from losing it. The goal of Socialism seems to be to make England one vast hospital.

Quotation up to a paragraph is permitted with credit to HUMAN EVENTS. For reproduction or more extensive quotation address requests to HUMAN EVENTS, 1710 Rhode Island Avenue, N. W., Washington 6, D. C. Trial subscription, three months for $3. Six months, $5.50. One year, $10. Two years, $18. Domestic airmail (including APO and FPO) one year, $12.00; foreign (regular mail) one year, $11. Foreign airmail rates on request. Please remit in U.S.A. DOLLARS. Allow two weeks for new subscriptions or change of address to become effective.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Not Merely Gossip *A Supplement to* Human Events Vol. VIII, No. 39

By Frank C. Hanighen September 26, 1951

THE PROBLEM OF TAFT: Among ur-Republicans in Washington, it is now being said: "The problem of nominating Taft is less difficult than the problem of keeping Taft from turning 'me-too'."

In this remark lie two very prevalent thoughts about the GOP situation: (1) the Eisenhower boom is deflating, and thereby Taft's chances for the nomination grow better every day; but (2) Taft is simultaneously making too many concessions to Administration policies.

Taft's tendency to compromise is not entirely new but it has been increasing recently. Critics emphasize that Bob is always "a little pregnant". He's for a "little Federal Aid to Education", for a "little Federal health assistance", and very recently for a "little Point IV". (He could hardly fail to recognize that this suits the Fair Dealers very well. All they want is a "little money" at first; the principal objective is to get the principle of "aid" established and a new agency created.)

Anyway, these statements by the Senator from Ohio do not sound "like the old Bob". And therefore the interpretation is that Taft is turning "a little me-too". It may be objected that Taft can hardly be classified as "me-too", since he is hated by the "liberals" of the Party and the big-money boys in New York. The reply of these critics is, "That's true -- so far."

But if Taft continues to compromise, to make "me-too" statements, will he get the nomination, should he get the nomination? That is the important question, for it is basic for the determination of strategy to be used in the coming election.

Many have reviewed and reflected upon the calamities of 1940, 1944 and 1948, and arrived at the conclusion that "me-too does not pay". Another "liberal" candidate waging an "I-can-do-it-better" campaign would lead to defeat, possibly the final defeat of the Party. Therefore, a quite different kind of candidate with a platform of thorough opposition to Administration policies looms as the only possible alternative.

Now Taft in the past has seemed to be the candidate most likely to wage a fighting opposition campaign of this nature. But, if he continues to compromise, many former supporters will be driven to the conclusion that he does not fill the bill, that he is not the man to direct the essential, the only strategy that can possibly win.

Hence, the recent talk about Sen. John Bricker for the nomination. Hence the growing speculation about the fitness of Sen. Everett Dirksen for the task, and about whether General MacArthur might be drafted. All this -- it should be emphasized -- is more than mere conversation, for it is related to what must be the fundamental strategy of the GOP in the coming election.

* * * * *

REALIGNMENT: The movement for a North-South coalition of conservative political forces took the first real step forward this week. The Committee for Exploring Realignment announced the election of two co-chairmen -- a Democrat, Edward A. O'Neal, a farm leader from Alabama; and former Senator Hawkes, Republican of New Jersey. Hawkes has been out in the open for realignment right along. But the acceptance by O'Neal is the surprise. O'Neal is not only a prominent Southern Democrat, but is also one of the most important farm leaders in the South. He was for sixteen years President of the National Farm Bureau Federation, the most powerful of the farm organizations. Since Southern political figures, even while privately

Copyright 1951 by HUMAN EVENTS, INC.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

sympathetic to the realignment movement, are hesitant to appear on a political committee with Republicans, the appearance of a man like O'Neal on the committee may well give Southern politicians more courage.

Farm organization circles in the Capital believe that O'Neal could hardly have accepted the position as co-chairman of the Committee without consulting the leaders of the Farm Bureau in the eleven Southern states. It is rumored that he did and that all the other state leaders gave their approval.

* * * * *

GABRIELSON: A company that seeks a loan from the RFC is per se an insolvent company. Otherwise it could obtain the funds it wants from the field of private finance and banking. An insolvent company, according to the tenets of real capitalistic economy, should be liquidated. The Republican Party, if its tradition still carries any real meaning, should protect and support these tenets, and rigidly conform to their letter and spirit in the conduct of their political organization. In other words, members of the GOP National Committee should have inquired as to Mr. Gabrielson's private affairs before they appointed him to the post of Chairman of the National Committee. Later, when the Committee learned that he was president of a company in hock to the National Socialist Government, they should have replaced him. L'Affaire Gabrielson demands little more comment than that.

* * * * *

HOOSIER REVOLT: This week, a conflict involving the principle of states' rights is coming to a climax in Indiana. A Republican legislature (opposed by a Democratic Governor) is considering a proposal to defy the Federal Government's dictation in the matter of welfare rolls. This column of March 7 first noted this developing struggle and stressed its importance.

Early this year, the Indiana legislature, prodded by an aroused public opinion, passed a law that opened welfare rolls for publication. In that state, as in many other localities, there have been glaring abuses of the welfare system, with many persons actually able to work and support themselves enjoying relief payments. As in all such situations, others in the community knew about such cases, but no corrective action was possible because of the Federal Government's requirement that such rolls remain secret. When the Indiana legislature passed the law, the Federal Government withdrew its $20 million annual contribution to the Indiana welfare budget. The fight was on.

Citizen groups urged defiance of "Federal bureaucratic dictation", wanted Indiana to "go it alone" and pay for its own welfare system, under strict local supervision. They would remove "chiselers" and undeserving recipients by opening rolls to public view, and under State and county "home rule", the local authorities could sharply cut the costs. Last week, seventeen Indiana Republican leaders formed a policy committee to work out final details of the proposed program. Meanwhile, Democrats demand that the state legislature bow to Federal demands and repeal the law which opened relief rolls.

The importance of the stakes in this battle were noted by the Associated Press dispatch from Indianapolis of September 22 which said: "If Indiana should go on without Federal cash, as some Republicans propose, it would break the 16-year-old national pattern of State-Federal sharing of welfare costs. It might lead other states away from dependence on Washington."

* * * * *

REDS AND FOREIGN AID: The State Department is fighting the Kremlin's battle on Capitol Hill these days, in connection with the Foreign Aid Bill. That measure is now under review by Senate and House conferees. The bill contains funds for transferring D.P.'s, expellees and surplus population from Europe to Latin America, Australia and other parts of the world.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The State Department wants to name the people who will run this show. As the bill stands, a group selected by the countries involved (Australia, Latin American republics, etc.) would direct the operations. But Assistant Secretary of State D. V. Sandifer is lobbying to get this changed so that the International Labor Office of Geneva, Switzerland, would take charge. It should be emphasized that the ILO includes representatives from five Red satellite states and has for many years been classified as a left wing organization.

If the ILO should take over the project of transferring surplus population, it is feared that something like the following would happen: The ILO would select a party of Communist laborers from Austria to be sent to, say, Venezuela -- thereby infiltrating a country which, although it wants immigrants, does not want any Communist fifth columnists. Senator McCarran is prominent in the fight to prevent the State Department intrigue and threatens to kill the whole appropriation for the project, if the ILO is awarded the job.

* * * * *

WATCH FOR: An article in the American Mercury about Truman, continuing the revelations concerning H.T.'s early financial dealings -- the evidence will be buttressed by photostats of documents, and of checks that "bounced". A third article, in preparation, will deal with the Ku Klux Klan phase of Truman's career. The first piece, on the Man from Missouri, which appeared several months ago, sold out that issue of the Mercury.

A study of the problems of rearming Japan, by General Charles Willoughby, General MacArthur's Chief of Intelligence.

A paper-cover, low price edition of Freda Utley's best seller exposé of our Far Eastern policy, The China Story.

A series of courageous public speeches by General A. C. Wedemeyer (Rtd.), to be given in various cities throughout the country.

John T. Flynn's radio news program, every night on Liberty network.

* * * * *

COPPER SENSE: The recent strike in the copper industry calls to mind a current incident in the State Department. An industrialist, having in mind the well-advertised scarcity of copper in this country, had investigated the potential supply of the metal in French Equatorial Africa and was satisfied that it has possibilities. Since the area is under foreign control, it was necessary for him to get the sanction of our officials before going ahead with plans to exploit this new field. He called on the State Department.

The official whom he consulted took very little interest in the possibiilty of replenishing our short supply of copper; he was more concerned with labor conditions prevailing in the Congo, whether the industrialist intended to provide welfare benefits for the workers, particularly old age insurance, and whether he proposed to segregate the native blacks from whatever white employees he imported. The industrialist dropped the matter right there and then.

* * * * *

PROGRESS OF NATIONAL SOCIALISM: If anyone doubts that there's a National Socialist internationale working, let him come to Washington. It's what they (the bureaucrats) fail to do, as well as what they actively do. Take the case of Dr. Ludwig Erhard, renowned in Europe as the German Minister of Economy who, through de-controlling and other measures in accordance with classical economic concepts, helped stricken West Germany to struggle back to its knees if not to its feet. Yet, when Dr. Erhard visited the Nation's Capital and spent a week here conferring with officials, virtually

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

no one knew he was here. The State Department, usually eager to introduce visiting socialists to the press, found it convenient to leave him strictly alone so far as publicity was concerned.

Maybe it was just a well -- from the Department's standpoint. For, we hear that Dr. Erhard innocently boasted to Mr. Acheson and aides of the great success he had had in getting rid of controls and allowing a free ecenomy to develop. He was surprised to find his remarks received in chilly silence. He should not have been so astonished. For, he might have discovered that the German ECA mission (which has been here now for the past 18 months) is almost entirely staffed by German socialists. It is rumored that Chancellor Adenauer, who is a conservative, prefers to have this organization from his Government composed of socialists, because they can obtain more handouts from the socialists in the State Department.

This week, Premier de Gasperi of Italy is visiting Washington. He could tell a tale of how his regime was criticized severely by American ECA administrators for policies which were not sufficiently Keynesian to suit the ECA taste. And M. Frere, Belgian cabinet member, here recently for a monetary conference, waxed satirical about how the so-called great "capitalist government" treated him. M. Frere has followed de-control and free economy policies which have drawn criticism from our foreign economic officials.

We can't resist quoting a friend and subscriber who writes us of a curious matter. Our friend knew Germany as it went down the road to Nazism -- which, the reader must be reminded, meant "national socialism". The title of the Nazi party was: National Socialist German Workers Party. Our friend had then noted that the Hitlerian orators used to assail both Communism and "reactionaries". Reading Mr. Truman's speech to the AFofL, our friend found the same pattern -- the menaces of Communism and "reaction" generously deployed in the prose. Indeed, our friend pointed out, this identical pattern was embodied in the famous Horst Wessel song, the marching tune of the brown shirts -- (Kamaraden von Rote Fronte and Reaction erschossen marchieren mit uns".) Comrades, under fire from the Red Front and Reaction, come and march with us." Well, well.

* * * * *

JOHNNY'S EDUCATION: Johnny Baldwin is 13. He lives in a small Illinois town and is in the eighth grade. Among other subjects, American history is on his curriculum. From his text book (Wilson and Lamb) his mother sends this quotation:

"In July, 1944, another conference of the U.N. was held at Bretton Woods, N.H. Before this conference, each nation had been mainly concerned with its own selfish interests. It had used its trade and wealth to gain every possible advantage over its rivals. Germany had some trade arrangements with some of her neighbors', agreeing to buy her neighbor's goods, whether these goods were needed or not. . . Other nations adopted policies equally unfair to secure selfish advantage over their world neighbors. Few nations could hope to benefit from such cutthroat competition. The prosperity and general welfare of the world would be improved if such unfair competition could be abolished. At the Bretton Woods Conference, the United Nations agreed to the ending of cutthroat competition and made plans to establish a huge international fund to regulate the money of the nations for the common good."

The emphasis is ours. By the time Johnny has learned this lesson in American history he should be convinced that competition is a very bad thing. That is what Karl Marx maintained. Yet, you could not prove in a court of law that he is being indoctrinated in socialistic thought; and if, on the basis of this quotation, you would suggest that the text book is slanted toward the socialistic line, the authors, the school board and the entire vested educational fraternity would jump on you. Nevertheless, impressionable Johnny will come out of the class with the definite idea that competition is a sin, that Bretton Woods was an important milestone in his country's history, and that the United Nations is the hope of the world.

PRODUCED BY UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED